

**Proposed Substitute  
Bill No. 886**

LCO No. 4490

**AN ACT CONCERNING THE PAYMENT OF MORTGAGE LOAN  
PROCEEDS BY WIRE TRANSFER.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective October 1, 2015*) (a) Any person or entity  
2       engaged in the business of making (1) first mortgage loans in this state  
3       and licensed in accordance with part I(A) of chapter 668 of the general  
4       statutes, or (2) secondary mortgage loans in this state and licensed in  
5       accordance with part I(B) of chapter 668 of the general statutes that  
6       chooses to utilize wire transfer to send the loan proceeds to the  
7       mortgagee's attorney, shall transfer the loan proceeds to the bank that  
8       holds the account of the mortgagee's attorney by wire transfer in a  
9       timely manner, but not later than the scheduled date and time of the  
10      closing of the loan, except that in the case of a mortgage refinancing  
11      where any right of rescission under 12 CFR 226.23 has terminated, not  
12      later than the disbursement date. In the case of a person or entity  
13      engaged in the business of making secondary mortgage loans in this  
14      state, the provisions of this subsection shall apply only to secondary  
15      mortgage loans to finance the acquisition or initial construction of the  
16      mortgagor's principal dwelling.

17      (b) The Banking Commissioner may suspend, revoke or refuse to  
18      renew a license pursuant to section 36a-51 of the general statutes  
19      issued to a person or entity engaged in the business of making first

20 mortgage loans or secondary mortgage loans in this state and licensed  
21 in accordance with part I(A) or part I(B) of chapter 668 of the general  
22 statutes that fails to comply with subsection (a) of this section.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2015</i>	New section
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